

AMENDED IN SENATE APRIL 6, 1999

AMENDED IN SENATE MARCH 18, 1999

**SENATE BILL**

**No. 43**

**Introduced by Senator Johnston**  
*(Principal coauthor: Senator Solis)*

December 7, 1998

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An act to repeal Division 3 (commencing with Section 9000) of, Division 4 (commencing with Section 12000) of, and Division 8 (commencing with Section 15000) of, and to repeal and add Division 2 (commencing with Section 5000) of, the Unemployment Insurance Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 43, as amended, Johnston. Employment: education and investment.

Existing law contains various programs for job training and employment investment. Among other things, existing law establishes an economic strategy panel and provides for work incentive programs, employment training, career opportunities, welfare-to-work programs, and family economic security. The employment training program contains provisions establishing employment training panels, and providing for local employment services.

This bill would repeal those provisions. It would enact new provisions as the California Economic Security Act.

The bill would establish the California Workforce Investment Board as the body responsible for the development, oversight, and continuous improvement of

California's work force development system, including the implementation of the federal Workforce Investment Act of 1998. The board would be required to assume the responsibility of various existing job training entities, which would be dissolved by this bill. The board would be required to develop a California Workforce Development Plan, and a single state plan required by the federal Workforce Investment Act of 1998, and from these plans to develop a unified state plan. The board would be composed of various ex officio members and various appointed members. The bill would provide for the establishment of local work force investment boards, which would implement various local work force development programs. By imposing duties on local government with respect to the implementation of these local programs, the bill would impose a state-mandated local program.

The bill would provide, until January 1, 2002, for the implementation of employment training programs by the Employment Training—~~Program~~ *Panel* established in the ~~Trade and Commerce Agency~~ *Employment Development Department*, which is to be administered by an executive director. The bill would provide for the establishment of job training in supplementation of welfare-to-work programs.

The bill would make related changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



*The people of the State of California do enact as follows:*

SECTION 1. Division 2 (commencing with Section 5000) of the Unemployment Insurance Code is repealed.

SEC. 2. Division 2 (commencing with Section 5000) is added to the Unemployment Insurance Code, to read:

DIVISION 2. CALIFORNIA ECONOMIC SECURITY  
ACT

CHAPTER 1. GENERAL PROVISIONS

5000. The Legislature finds and declares that for California to remain prosperous and globally competitive it needs to have a highly skilled work force. To accomplish this California must transform its current job training, job placement, and vocational education programs into an integrated, accessible, and accountable work force development system that can effectively serve job seekers, students, and employers. California's work force development system must provide lifelong learning for all Californians, promote self-sufficiency, link education and training to economic development, and prepare California to successfully compete in the global economy. The Legislature recognizes that these programs must be accessible to all Californians, including persons with economic, physical, and other barriers to employment.

CHAPTER 2. STATE RESPONSIBILITIES

Article 1. California Workforce Investment Board

5010. The California Workforce Investment Board is created as the body responsible for the development, oversight, and continuous improvement of California's work force development system.

5011. The state board shall be independent of any existing state agency and attached for administrative purposes to the office of the Governor.

1 5012. The state board shall be comprised of the  
2 following members or their designees:

3 (a) The Governor.

4 (b) Two members of the Senate appointed by the  
5 Senate Committee on Rules.

6 (c) Two members of the Assembly appointed by the  
7 Speaker of the Assembly.

8 (d) The Secretary of Health and Welfare.

9 (e) The Secretary of Trade and Commerce.

10 (f) The Director of the Employment Development  
11 Department.

12 (g) The Director of the State Department of Social  
13 Services.

14 (h) The Superintendent of Public Instruction.

15 (i) The Chancellor of the California Community  
16 Colleges.

17 (j) Representatives, appointed by the Governor, of the  
18 following groups:

19 (1) Representatives of businesses in the state, both  
20 small and large, which reflect the employment  
21 opportunities of the state, and are nominated by state  
22 business and trade organizations. Business  
23 representatives shall be owners of businesses, chief  
24 executives or operating officers of businesses, and other  
25 business executives or employers with optimum  
26 policymaking or hiring authority, including members of  
27 local work force investment boards established pursuant  
28 to Section 5300. A majority of board members shall be  
29 representatives of business.

30 (2) Chief elected officials of cities and counties who  
31 have been nominated by organizations representing  
32 elected officials of cities and counties.

33 (3) Representatives of labor organizations who have  
34 been nominated by state labor federations. At least 15  
35 percent of board members shall be representatives of  
36 labor organizations.

37 (4) Representatives of individuals and organizations  
38 that have experience in youth services.

39 (5) Representatives of individuals and organizations  
40 that have experience and expertise in the delivery of

1 work force investment activities, including  
2 community-based organizations and chief executive  
3 officers of community colleges.

4 (6) The Governor may appoint a single member to  
5 represent multiple constituencies on the state board.

6 (7) The appointments of the Governor to the state  
7 board shall be representative of the population of the  
8 state with regard to gender, race, and geographical  
9 distribution.

10 (8) The Governor shall appoint one representative of  
11 business to serve as chairperson of the state board.

12 5013. The state board shall do all of the following:

13 (a) Promote the development of a well-educated and  
14 highly skilled work force.

15 (b) Develop, as appropriate, and provide oversight  
16 and make recommendations for continuous  
17 improvement of, work force investment programs and  
18 services, including the development of linkages to ensure  
19 coordination and nonduplication among programs and  
20 activities.

21 (c) Implement the one-stop center system, provide  
22 oversight and technical assistance for the creation and  
23 continuous improvement of the one-stop system, and  
24 review and evaluate each partner agency's contribution  
25 to the one-stop system.

26 (d) Develop, pursuant to Section 5020, a California  
27 Workforce Development Plan and a single state plan or  
28 unified plan as required by the federal Workforce  
29 Investment Act of 1998 and review any plan not included  
30 in the unified plan for consistency with the unified plan  
31 and send recommendations to other governing bodies for  
32 aligning plans with the unified plan.

33 (e) Develop, operate, and recommend measures for  
34 the continuous improvement of the state's  
35 performance-based accountability system established  
36 pursuant to Section 5100 and that meets the requirements  
37 of the federal Workforce Investment Act of 1998.

38 (f) Develop state performance measures and prepare  
39 and submit to the Secretary of Labor an annual report on  
40 the state's progress in achieving those state performance

1 measures for activities specified in Title I of the federal  
2 Workforce Investment Act of 1998.

3 (g) Designate local work force investment areas as  
4 required by the federal Workforce Investment Act of  
5 1998.

6 (h) Develop allocation formulas to local work force  
7 investment areas for the distribution of funds for adult  
8 employment and training activities and youth activities  
9 as specified by the federal Workforce Investment Act of  
10 1998.

11 (i) Review and approve local plans.

12 (j) Provide oversight and coordination of the  
13 statewide employment statistics system required by the  
14 federal Workforce Investment Act of 1998.

15 (k) Apply, as appropriate, after consultation with local  
16 work force investment boards, for workflex and waiver  
17 authority provided for in the federal Workforce  
18 Investment Act of 1998.

19 (l) Develop performance criteria for local work force  
20 investment boards to use in creating a list of eligible  
21 training providers.

22 5014. The state board shall employ personnel  
23 necessary to carry out its responsibilities. All personnel of  
24 the state board shall be under the supervision of the  
25 chairperson or an executive director to whom he or she  
26 delegates this responsibility. The state board shall employ  
27 persons with expertise in work force education and  
28 training. The staff shall be separate from and  
29 independent of any organization providing labor  
30 exchange, work force education, or work force training  
31 and services. All personnel shall be appointed pursuant to  
32 the State Civil Service Act established pursuant to Part 1  
33 (commencing with Section 18000) of Division 5 of Title  
34 2 of the Government Code, except the executive director  
35 who shall be exempt.

36 5015. Members of the state board may receive up to  
37 one hundred dollars (\$100) for each day's actual  
38 attendance at meetings and other official business of the  
39 board, not to exceed three hundred dollars (\$300) per  
40 month, and shall receive their necessary and actual

1 expenses incurred in the performance of their official  
2 duties.

3 5016. The following state advisory councils, boards,  
4 and committees are dissolved and the state board shall  
5 assume the responsibilities formerly exercised by these  
6 entities:

7 (a) The State Job Training Coordinating Council.

8 (b) The Governor's Committee for Employment of  
9 Disabled Persons.

10 (c) The California Task Force for Employment of  
11 Older Workers.

12 (d) The CalWORKs Council of Corporate Executives.

13 (e) The School-to-Career Advisory Council.

14 (f) The One-Stop Career Center System Task Force.

15 (g) The California Occupational Information  
16 Coordinating Council.

17  
18 Article 2. State Planning  
19

20 5020. The California Workforce Investment Board  
21 shall develop a California Workforce Development Plan  
22 to serve as a framework for the development of public  
23 policy, fiscal investment, and operation of all state labor  
24 exchange, work force education, and training programs.  
25 The California state plan shall also serve as the framework  
26 for the development of a single state plan or unified state  
27 plan for federal reporting purposes. The plan shall be  
28 updated at least every five years.

29 5021. The plan shall, at a minimum, include all of the  
30 following:

31 (a) Long-term goals for the state's work force  
32 development system.

33 (b) Short-term objectives and benchmarks that the  
34 state will use to measure its progress towards meeting the  
35 state's goals for the state work force development system  
36 and its programs.

37 (c) Identification of the role each institution and  
38 program plays in the statewide system and mechanism of  
39 articulation among programs.

1 (d) A strategy for assessing unmet work force  
2 preparation needs and areas of duplicative services.

3 (e) A description of measures to ensure coordination,  
4 eliminate duplication, and maximize or redirect funding  
5 to more effectively deliver services to meet the state's  
6 work force development needs.

7 (f) A strategy for consolidating multiple planning  
8 processes.

9 (g) A strategy with benchmarks for implementing a  
10 one-stop career center system throughout the state.

11 5022. The plan shall be developed through a  
12 collaborative process that shall include review and input  
13 by state, regional, and local work force education and  
14 training providers, local work force investment areas, and  
15 representatives of business and labor.

16 5023. (a) The California Workforce Development  
17 Plan shall be transmitted to the Governor and the  
18 Legislature by April 1, 2000.

19 (b) California shall submit a single state plan to the  
20 Department of Labor by April 1, 2000, for purposes of  
21 compliance with the federal Workforce Investment Act  
22 of 1998.

23 5024. On or before April 1, 2002, and utilizing the  
24 California Workforce Investment Plan as a framework,  
25 the state work force investment board shall develop and  
26 submit to the secretaries of the appropriate state agencies  
27 a state unified plan for the following activities and  
28 programs:

29 (a) Secondary and postsecondary vocational  
30 education programs authorized under the Carl D.  
31 Perkins Vocational and Applied Technology Education  
32 Act.

33 (b) Activities authorized under Title I and Title II of  
34 the federal Workforce Investment Act of 1998.

35 (c) Programs authorized under Section 6(d) and  
36 Section 6(o) of the federal Food Stamp Act of 1977.

37 (d) Activities authorized under Chapter 2 of Title II of  
38 the federal Trade Act of 1974.

39 (e) Programs authorized under the federal  
40 Wagner-Peyser Act.



(f) Programs authorized under Title I of the federal Rehabilitation Act of 1973.

(g) Activities authorized under Chapter 41 of Title 38 of the United States Code.

(h) Programs authorized under state unemployment compensation laws.

(i) Programs authorized under Part A of Title IV of the federal Social Security Act.

(j) Programs authorized under Title V of the federal Older Americans Act of 1965.

(k) Training activities carried out by the federal Department of Housing and Urban Development.

(l) Programs authorized under the federal Community Services Block Grant Act.

Article 3. Employment Training ~~Program~~ *Panel*

5030. The Legislature finds and declares the following:

(a) California's economy is being challenged by competition from other states and overseas. In order to meet this challenge, California's employers, workers, labor organizations, and government need to invest in a skilled and productive work force, and in developing the skills of frontline workers. For purposes of this section, "frontline worker" means a worker who directly produces or delivers goods or services.

(b) The purpose of this article is to establish a strategically designed employment training ~~program~~ *panel* to promote a healthy labor market in a growing, competitive economy and to fund only projects that meet the following criteria:

(1) Foster job creation of high-wage, high-skilled jobs, or foster retention of high-wage, high-skilled jobs that are threatened by out-of-state competition.

(2) Encourage industry-based investment in human resources development that promotes the competitiveness of California industry through productivity and product quality enhancements.

1 (3) Result in secure jobs for those who successfully  
2 complete training.

3 (4) Supplement, rather than displace, funds available  
4 through existing programs conducted by employers and  
5 government-funded training programs, such as the  
6 federal Workforce Investment Act of 1998, the Carl D.  
7 Perkins Vocational Education Act, CalWORKs, the  
8 Enterprise Zone Act, the Stewart B. McKinney Homeless  
9 Assistance Act, or apportionment funds allocated to the  
10 community colleges, regional occupational centers and  
11 programs, or other local educational agencies. In  
12 addition, it is further the intention of the Legislature that  
13 programs developed pursuant to this article shall not  
14 replace, parallel, supplant, compete with, or duplicate in  
15 any way already existing approved apprenticeship  
16 programs.

17 (c) The executive director appointed pursuant to  
18 Section 5032, in funding projects that meet the  
19 requirements of subdivision (b), shall give funding  
20 priority to those projects that best meet the following  
21 goals:

22 (1) Result in the growth of the California economy by  
23 stimulating exports from the state, and the production of  
24 goods and services that would otherwise be imported  
25 from outside the state.

26 (2) Train new employees of firms locating or  
27 expanding in the state that provide high-skilled,  
28 high-wage jobs and are committed to an ongoing  
29 investment in the training of frontline workers.

30 (3) Develop workers with skills that prepare them for  
31 the challenges of a high-performance workplace of the  
32 future.

33 (4) Train workers who have been displaced, have  
34 received notification of impending layoff, or are subject  
35 to displacement, because of a plant closure, work force  
36 reduction, changes in technology, or significantly  
37 increasing levels of international and out-of-state  
38 competition.

39 (5) Are jointly developed by business management  
40 and worker representatives.

1 (6) Develop career ladders for workers.

2 (7) Promote the retention and expansion of the state's  
3 manufacturing work force.

4 ~~(d) The program established through this article is to~~

5 *(d) The panel established under this article shall be*  
6 *coordinated with all existing employment training*  
7 *programs and economic development programs,*  
8 *including, but not limited to, programs such as the federal*  
9 *Workforce Investment Act of 1998, the California*  
10 *Community Colleges, the regional occupational*  
11 *programs, vocational education programs, joint*  
12 *labor-management training programs, and related*  
13 *programs under the Employment Development*  
14 *Department and the Trade and Commerce Agency.*

15 5031. As used in this article:

16 (a) "Department" means the Employment  
17 Development Department.

18 (b) "Employer" or "eligible employer" means any  
19 employer subject to Part 1 (commencing with Section  
20 100) of Division 1, except any public entity, or any  
21 nonprofit organization that has elected an alternate  
22 method of financing its liability for unemployment  
23 insurance compensation benefits pursuant to Article 5  
24 (commencing with Section 801) or Article 6  
25 (commencing with Section 821) of Chapter 3 of Part 1 of  
26 Division 1.

27 Any public entity or nonprofit organization that has  
28 elected an alternate method of financing its liability for  
29 unemployment insurance compensation benefits  
30 pursuant to Article 5 (commencing with Section 801) or  
31 Article 6 (commencing with Section 821) of Chapter 3 of  
32 Part 1 of Division 1 shall be deemed to be an employer  
33 only for purposes of placement of new hire trainees who  
34 received training as an incidental part of a training  
35 project designed to meet the needs of one or more private  
36 sector employers.

37 (c) "Eligible participant" means any person who,  
38 prior to beginning training or employment pursuant to  
39 this article, is any of the following:

1 (1) Unemployed and has established an  
2 unemployment insurance claim in this state, or has  
3 exhausted eligibility for unemployment insurance  
4 benefits from this state within the previous 24 months.

5 (2) Employed for a minimum of 90 days, but is  
6 determined by the panel likely to be displaced and  
7 therefore claiming unemployment insurance benefits  
8 because of reductions in overall employment within a  
9 business, elimination of the person's current job, or a  
10 substantial change in the skills required to remain  
11 employed due to technological change or other factors, or  
12 if employed for less than 90 days, met the conditions of  
13 paragraph (1) at the time of hire, had received a notice  
14 of layoff from the prior employer, or was employed by an  
15 employer for a period of not less than 90 days during the  
16 180-day period prior to the employee's current  
17 employment. In making a finding of eligibility under this  
18 paragraph, the panel shall require the employer or  
19 contractor to provide, at the option of the employer or the  
20 contractor, either of the following:

21 (A) Certification of the specific facts that threaten the  
22 continued employment of the trainee, and a plan for  
23 assuring with reasonable certainty that the training being  
24 proposed will contribute to the long-term job security of  
25 the trainee. The plan shall include, but not be limited to,  
26 a general description, with respect to the facility at which  
27 the trainee is employed, of other actions planned by the  
28 employer, such as technological changes, additional  
29 training, management adjustments, and organizational  
30 changes, for the purposes of enhancing the effectiveness  
31 of the proposed training. The plan shall also include a  
32 statement of how the employer plans to sustain the  
33 commitment to workplace training after the contract  
34 ends, and how the training will affect the productivity  
35 and employment security of the work force. The  
36 executive director may modify the specific requirements  
37 of this subparagraph as they apply to employers or  
38 contractors proposing projects that involve training for a  
39 significant number of small employers in the same  
40 project.



1 (B) Evidence that the workers proposed to receive  
2 retraining have been given written notice that their  
3 employment will be terminated within two years of the  
4 date the application is presented to the panel.

5 (3) Employed for a minimum of 90 days, but who is  
6 determined by the executive director to be in need of  
7 training in order to facilitate an employer's adaptation to  
8 a high-performance workplace or diversification of the  
9 production of goods or services in order to meet the  
10 productivity goals and competitive needs of the  
11 employer's operation, or if employed for less than 90 days,  
12 met the conditions of paragraph (1) at the time of hire,  
13 had received a notice of layoff from the prior employer,  
14 or was employed by an employer for a period of not less  
15 than 90 days during the 180-day period prior to the  
16 employee's current employment. In making a finding of  
17 eligibility under this paragraph, the executive director  
18 shall require an employer or contractor to submit  
19 evidence of change, or plans to change, to a  
20 high-performance or diversified workplace and a  
21 statement of how the employer plans to sustain the  
22 commitment to workplace training after the contract  
23 ends and how the training will affect the productivity and  
24 employment security of the work force. For purposes of  
25 this subdivision, "high-performance workplace" means a  
26 workplace that invests in the training of frontline  
27 workers, as defined in subdivision (a) of Section 5030, to  
28 equip these workers with problem solving and  
29 decisionmaking skills that result in increased  
30 productivity.

31 (4) Employed, but who is determined by the  
32 executive director to be qualified to be trained or  
33 retrained in skills for which there is a demonstrable  
34 shortage and in a field where new employment  
35 opportunities will be created for other persons defined in  
36 paragraph (1) if this retraining takes place. In making a  
37 finding of eligibility under this paragraph, the executive  
38 director shall require the employer or contractor to  
39 provide a job for at least one unemployed person for each  
40 person retrained.

(d) “Executive director” means the executive director appointed pursuant to Section 5032.

(e) “Fund” means the Employment Training Fund created by Section 1610.

(f) “Job” means employment on a basis customarily considered full time for the occupation and industry. The employment shall have definite career potential and a substantial likelihood of providing long-term job security. Furthermore, the employment shall provide earnings, upon completion of the employment requirement specified in subdivision (f) of Section 5040, equal to 50 percent, in the case of new hire training, or 60 percent, in the case of retraining, of the state or regional average hourly wage. However, in no case shall the employment result in earnings of less than 45 percent of the state average hourly wage for new hire training and 55 percent of the state average hourly wage for retraining. The program may consider the dollar value of health benefits that are voluntarily paid for by an employer when computing earnings to meet the minimum wage requirements.

(g) “Local work force investment board” means an entity established pursuant to Section 5300.

(h) “New hire training” means employment training, including job-related literacy training, for persons who, at the start of training, are unemployed.

(i) “Panel” means the Employment Training Panel created by Section ~~5033~~ 5032.

~~(j) “Program” means the Employment Training Program established by Section 5032.~~

~~(k)~~

(j) “Retraining” means employment-related skill and literacy training for persons who are employed prior to commencement of training and will continue to be employed by the same employer for at least 90 days following completion of training.

~~(l)~~

(k) “State average hourly wage” means the average weekly wage paid by employers to employees covered by unemployment insurance, as reported to the

1 Employment Development Department for the four  
2 calendar quarters ending June 30 of the preceding  
3 calendar year, divided by 40 hours.

4 ~~(m)~~

5 (l) “Trainee” means an eligible participant.

6 ~~(n)~~

7 (m) “Training agency” means any private training  
8 entity or local educational agency.

9 ~~5032. (a) The Employment Training Program is~~  
10 ~~established in the Trade and Commerce Agency.~~

11 *5032. (a) The Employment Training Panel is*  
12 *established in the Employment Development*  
13 *Department.*

14 (b) The executive director shall be appointed by the  
15 Governor, and shall be well-qualified for the position with  
16 experience in government. The executive director may  
17 perform all duties, exercise all powers, discharge all  
18 responsibilities, and administer and enforce all laws,  
19 rules, and regulations of the ~~program~~ *panel*. The  
20 executive director shall administer this article in the  
21 manner he or she deems necessary. The executive  
22 director may create divisions and subdivisions as  
23 necessary, and change and abolish these divisions and  
24 subdivisions from time to time.

25 (c) The executive director may employ personnel  
26 necessary to carry out the purposes of this article. All  
27 personnel shall be appointed pursuant to the State Civil  
28 Service Act (Part 1 (commencing with Section 18000) of  
29 Division 5 of Title 2 of the Government Code), except for  
30 two assistant directors, who shall be exempt from state  
31 civil service.

32 ~~(d) The Governor shall appoint two assistant directors,~~  
33 ~~to serve at the pleasure of the Governor. The assistant~~

34 *(d) The executive director shall appoint two assistant*  
35 *directors. The assistant* directors shall have the duties as  
36 assigned by the executive director, and shall be  
37 responsible to the executive director for the performance  
38 of their duties.

39 (e) One assistant director shall have experience in  
40 serving the needs of small businesses, and shall, under the



1 supervision of the executive director, manage the  
2 program's panel's efforts to ensure that employment  
3 training services are available to small businesses.

4 ~~5033. (a) There is hereby established an~~  
5 ~~Employment Training Panel, which shall be an advisory~~  
6 ~~body.~~

7 ~~(b) The panel shall consist of 7 persons appointed as~~  
8 ~~provided in subdivision (c), who shall have experience~~  
9 ~~and a demonstrated interest in business management and~~  
10 ~~employment relations.~~

11 ~~(c) Two members of the panel shall be appointed by~~  
12 ~~the Speaker of the Assembly, two members of the panel~~  
13 ~~shall be appointed by the President pro Tempore of the~~  
14 ~~Senate, and three members of the panel shall be~~  
15 ~~appointed by the Governor. The Governor shall~~  
16 ~~designate a member to chair the panel, and the person so~~  
17 ~~designated shall serve as the chair of the panel at the~~  
18 ~~pleasure of the Governor.~~

19 ~~(d)~~

20 *5033. (a) The panel shall consist of eight persons,*  
21 *seven of whom shall be appointed as provided in*  
22 *subdivision (b), and who shall have experience and a*  
23 *demonstrated interest in business management and*  
24 *employment relations. The Secretary of the Trade and*  
25 *Commerce Agency, or his or her designee, shall serve on*  
26 *the panel as an ex officio, voting member.*

27 *(b) (1) Two members of the panel shall be appointed*  
28 *by the Speaker of the Assembly. One of those members*  
29 *shall be a private sector labor representative and the*  
30 *other member shall be a business representative.*

31 *(2) Two members of the panel shall be appointed by*  
32 *the President pro Tempore of the Senate. One of the*  
33 *those members shall be a private sector labor*  
34 *representative and the other member shall be a business*  
35 *representative.*

36 *(3) Three members shall be appointed by the*  
37 *Governor. One of those members shall be a private sector*  
38 *labor representative, one member shall be a business*  
39 *representative, and one member shall be a public*  
40 *member.*



1 (4) *The Governor shall designate a member to chair*  
2 *the panel, and the person so designated shall serve as the*  
3 *chair of the panel at the pleasure of the Governor.*

4 (c) The members of the panel shall serve for two-year  
5 terms, except that of the initial members of the panel, one  
6 initial appointee of each appointing power shall serve for  
7 a one-year term.

8 ~~(e)~~

9 (d) Appointive members of the panel shall receive the  
10 necessary traveling and other expenses incurred by them  
11 in the performance of their official duties out of  
12 appropriations made for the support of the panel. In  
13 addition, each appointive member of the panel shall  
14 receive one hundred dollars (\$100) for each day  
15 attending meetings of the panel, and may receive one  
16 hundred dollars (\$100) for each day spent conducting  
17 other official business of the panel, but not exceeding a  
18 maximum of three hundred dollars (\$300) per month.

19 ~~(f)~~

20 (e) The panel may meet as necessary at locations  
21 throughout the state.

22 5034. ~~The program~~ *panel* shall maintain a minimum  
23 of three regional offices. The central office shall be  
24 located in Sacramento. Two regional offices shall be  
25 located in the southern part of the state, and one regional  
26 office shall be located in the northern part of the state.

27 The executive director shall assign one person, with  
28 experience in meeting the needs of small businesses, to  
29 each of the regional offices for the purpose of developing  
30 training projects for small businesses and expediting the  
31 processing of training proposals from small businesses.

32 5035. The executive director shall coordinate the  
33 ~~program~~ *panel* with local and state entities of the federal  
34 Workforce Investment Act of 1998.

35 5036. The executive director shall do all of the  
36 following:

37 (a) Establish a three-year plan that shall be updated  
38 annually, based on the demand of employers for trained  
39 workers, changes in the state's economy and labor  
40 markets, and continuous reviews of the effectiveness of

1 program training contracts. In carrying out this section,  
2 the executive director shall review information in the  
3 following areas:

4 (1) Labor market information, including the  
5 state-local labor market information program in the  
6 Employment Development Department, and economic  
7 forecasts.

8 (2) Evaluations of the effectiveness of training as  
9 measured by increased security of employment for  
10 workers and benefits to the California economy.

11 (3) The demand for training by industry, type of  
12 training, and size of employer.

13 (4) Changes in skills necessary to perform jobs,  
14 including changes in basic literacy skills.

15 (5) Changes in the demographics of the labor force  
16 and the population entering the labor market.

17 (6) Proposed expenditures by other agencies of  
18 federal Workforce Investment Act of 1998 funds and  
19 other state and federal training and vocational education  
20 funds on eligible participants.

21 (b) The executive director shall maintain a system to  
22 continuously monitor economic and other data required  
23 under this plan. If this data changes significantly during  
24 the life of the plan, the plan shall be amended by the  
25 executive director. Each plan shall include all of the  
26 following:

27 (1) The ~~program's~~ *panel's* objectives with respect to  
28 the criteria and priorities specified in Section 5030 and the  
29 distribution of funds between new-hire training and  
30 retraining.

31 (2) The identification of specific industries,  
32 production and quality control techniques, and regions of  
33 the state where employment training funds would most  
34 benefit the state's economy and plans to encourage  
35 training in these areas, including specific standards and  
36 a system for expedited review of proposals that meet the  
37 standards.

38 (3) A system for expedited review of proposals that are  
39 substantially similar with respect to employer needs,  
40 training curriculum, duration of training, and costs of

1 training, in order to encourage the development of  
2 proposals that meet the needs identified in paragraph  
3 (2).

4 (4) The ~~program's~~ *panel's* goals and operational  
5 objectives with respect to meeting the needs of small  
6 employers.

7 (5) The research objectives of the ~~program~~ *panel* that  
8 contribute to the effectiveness of this article in benefiting  
9 the economy of the state as a whole.

10 (6) A priority list of skills that are in such short supply  
11 that employers are choosing to not locate or expand their  
12 businesses in the state or are importing labor in response  
13 to these skills shortages. This list should identify those  
14 industries in which upgrade training is likely to  
15 encourage hiring of the unemployed on a backfill basis.

16 (c) Solicit proposals and write contracts on the basis of  
17 these proposals. Contracts for the purpose of providing  
18 employment training may be written with any of the  
19 following:

20 (1) An employer or group of employers.

21 (2) A training agency.

22 (3) A local work force investment board with the  
23 approval of the appropriate local elected officials in the  
24 service delivery area.

25 (4) A grant recipient or administrative entity selected  
26 pursuant to the federal Workforce Investment Act of  
27 1998, with the approval of the local work force investment  
28 boards and the appropriate local elected officials.

29 These contracts shall be in the form of fixed fee  
30 performance contracts. Notwithstanding any provision of  
31 law to the contrary, contracts entered into pursuant to  
32 this article shall not be subject to competitive bidding  
33 procedures. Contracts for training may be written for a  
34 period not to exceed 24 months for the purpose of  
35 administration by the executive director and the  
36 contracting employer or any group of employers acting  
37 jointly or any training agency for the purpose of  
38 providing employment training.

39 (d) Fund training projects that best meet the priorities  
40 specified in the three-year plan. In doing so, the program

1 shall seek to facilitate the employment of the maximum  
2 number of eligible participants. This article shall not be  
3 construed to require the ~~program panel~~ to set aside funds  
4 based on the priorities established in the three-year plan.

5 (e) Establish minimum standards for the  
6 consideration of proposals, which shall include, but not be  
7 limited to, the identification of employers who have been  
8 contacted by the contractor and who have provided  
9 reasonable assurance that they will employ successful  
10 trainees, the number of jobs available, the skill  
11 requirements for the identified jobs, the projected cost  
12 per person trained, hired, and retained in employment,  
13 the wages paid successful trainees upon placement, and  
14 the curriculum for the training. No proposal shall be  
15 considered or approved that proposes training for  
16 employment covered by a collective bargaining  
17 agreement unless the signatory labor organization agrees  
18 in writing.

19 (f) Ensure the provision of adequate fiscal and  
20 accounting controls for, monitoring and auditing of, and  
21 other appropriate technical and administrative assistance  
22 to, projects funded by this article.

23 (g) Provide for the evaluation of projects funded by  
24 this article. The evaluations shall assess the effectiveness  
25 of training previously funded by the ~~program panel~~ to  
26 improve job security and stability for workers, and  
27 benefit participating employers and the state's economy,  
28 and shall compare the wages of trainees in the 12-month  
29 period prior to training as well as the 12-month period  
30 subsequent to completion of training, as reflected in the  
31 department's unemployment insurance tax records.  
32 Individual project evaluations shall contain a summary  
33 description of the project, the number of persons  
34 entering training, the number of persons completing  
35 training, the number of persons employed at the end of  
36 the project, the number of persons still employed three  
37 months after the end of the project, the wages paid, the  
38 total costs of the project, and the total reimbursement  
39 received from the Employment Training Fund.

(h) Report annually to the Legislature, by November 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of all of the following:

(1) Projects completed during the year, including their individual and aggregate performance and cost.

(2) Projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole, and identifying any projects in which funds are expected to be disencumbered.

(3) Projects terminated prior to completion and the reasons for the termination.

(4) A description of the amount, type, and effectiveness of literacy training projects.

(5) Results of complete project evaluations.

In addition, based upon experience in administering job training projects, the executive director shall include in these reports policy recommendations concerning the impact of job training and the program on economic development, labor-management relations, employment security, and other related issues.

(i) In addition to performing any other duty, conduct a review of ~~program~~ *panel* policies with the goal of developing an improved process for developing, funding, and implementing ~~program~~ *panel* contracts as described in this section. This review may include, but shall not be limited to, an examination of all of the following:

(1) The necessity for minimum training hours.

(2) The ratio between fixed classroom training and structured onsite training.

(3) Training across job classifications within the same industry base.

(4) Voluntary training after hours.

(5) Grievance processes.

(6) Reimbursement timelines.

(7) Contract approval, amendment, and modification processes.

(j) Expedite the processing of contracts for firms considering locating or expanding businesses in the state,

1 as determined by the Trade and Commerce Agency, in  
2 accordance with the priorities for employment training  
3 programs set forth in paragraph (2) of subdivision (c) of  
4 Section 5030.

5 (k) Coordinate and consult regularly with business  
6 groups and labor organizations, the State Workforce  
7 Investment Board, the State Department of Education,  
8 the office of the Chancellor of the California Community  
9 Colleges, the Employment Development Department,  
10 and the Trade and Commerce Agency.

11 (l) Adopt regulations and procedures providing  
12 reasonable confidentiality for the proprietary  
13 information of employers seeking training funds if the  
14 public disclosure of that information would result in an  
15 unfair competitive disadvantage to the employer  
16 supplying the information. In no case shall the executive  
17 director withhold information from the public regarding  
18 the ~~program's~~ *panel's* operations, procedures, and  
19 decisions which would otherwise be subject to disclosure  
20 under the California Public Records Act (Chapter 3.5  
21 (commencing with Section 6250) of Division 7 of Title 1  
22 of the Government Code).

23 (m) Review and comment on the budget and  
24 performance of any program, project, or activity funded  
25 by the ~~program~~ *panel* utilizing funds collected pursuant  
26 to Section 976.6.

27 5037. (a) The executive director may allocate money  
28 in the fund for any of the following purposes:

29 (1) Reimbursement of reasonable training costs, and  
30 administrative costs incurred by contractors. In making  
31 a determination of costs to be reimbursed under this  
32 paragraph, the executive director may allocate funds in  
33 accordance with any of the following methods:

34 (A) For purposes of providing simplified fixed fee  
35 performance contracts, a flat rate per hour for categories  
36 of training that are substantially similar with respect to  
37 content, methodology, and duration, as determined by  
38 the executive director, not to exceed the reasonable and  
39 normal costs for the training. The executive director shall  
40 periodically adjust the standardized rates established

1 pursuant to this paragraph to reflect changes in training  
2 costs.

3 (B) A complete review of the proposal and its costs,  
4 including a budget listing the planned costs of training,  
5 including personnel, fringe benefits, equipment,  
6 supplies, fees for consulting or administrative services,  
7 and other costs attributable to training; the services  
8 provided by subcontractors; the length and complexity of  
9 the training; the method of training; the wages and  
10 occupations following training; whether the trainees are  
11 new hires or retrainees; and the cost of similar training  
12 that the executive director has funded previously. The  
13 cost of administration shall not exceed 15 percent of the  
14 training costs under this paragraph, except that for new  
15 hire training the executive director may fund  
16 administrative costs of up to 25 percent of the training  
17 cost.

18 (C) The executive director may modify the specific  
19 requirements of this paragraph as they apply to  
20 employers or contractors proposing projects that involve  
21 training for a significant number of small employers in  
22 the same project.

23 (D) A contractor is prohibited from utilizing any funds  
24 earned or paid as advances or progress payments for the  
25 purpose of making payments to any other individual or  
26 entity, either directly or indirectly, for costs incurred as  
27 a finder's fee or for other compensation related to the  
28 predevelopment or development phase of a training  
29 program, which is based on a percentage of the  
30 preliminary or final award to the contractor for the  
31 training project.

32 (2) (A) Costs of ~~program~~ *the panel's* administration  
33 incurred under this article. These costs shall be reviewed  
34 annually by the Department of Finance and the  
35 Legislature and determined through the normal  
36 budgetary process.

37 (B) For purposes of calculating the amount available  
38 for the ~~program's~~ *panel's* administrative costs pursuant to  
39 subparagraph (A), the base amount shall not include



1 funds disencumbered from Employment Training Fund  
2 job training contracts.

3 (C) Expenditures for marketing, research, and  
4 evaluations provided under the contract to the ~~program~~  
5 *panel* under paragraph (1) that otherwise would have  
6 been provided directly by the ~~program~~ *panel* shall not be  
7 included in this limitation.

8 (3) Service related to the purposes of this article  
9 provided by the Small Business Development Centers  
10 pursuant to an interagency agreement with the ~~Trade~~  
11 ~~and Commerce Agency department~~.

12 (b) For all training contracts, the executive director  
13 shall establish requirements for in-kind contributions by  
14 either the contractor or the employer that reflect a  
15 substantial commitment on the part of the contractor or  
16 the employer to the value of the training. In developing  
17 these requirements, the executive director shall take into  
18 account the ability of the contractor or the employer,  
19 because of size or financial condition, to make any  
20 contribution, and the ability of the Employment Training  
21 Fund to meet the demand for training authorized by this  
22 article. Contributions shall be evaluated against plans  
23 required in subparagraph (A) of paragraph (2) of  
24 subdivision (b) of Section 5031 to sustain a commitment  
25 to workplace training after the contract ends. In  
26 developing policies regarding in-kind contributions, the  
27 executive director shall hold public hearings.

28 5038. (a) The executive director shall accept or  
29 reject a completed application within 60 days of its  
30 receipt by the executive director.

31 (b) The executive director shall develop expedited  
32 procedures for reviewing proposals submitted by the  
33 state agencies which are participants in a special  
34 interagency agreement with the executive director for  
35 purposes of this article.

36 5039. Nothing in this article shall be construed to  
37 preclude any employer from contracting with any public  
38 or private training entity for services, subject to the  
39 approval of the executive director.



1 5040. (a) Contracts shall only be made for training in  
2 job-related vocational skills that are necessary for  
3 participants to attain a new job or retain an existing job  
4 with definite career potential and long-term job security.  
5 The contracts for vocational skills training may include  
6 ancillary training for job-related basic and literacy skills  
7 training if the executive director finds that the training  
8 is necessary to achieve the objectives of the vocational  
9 training.

10 (b) Contracts for projects involving on-the-job  
11 training shall specify the specific skills and competencies  
12 to be gained as a result of the on-the-job training  
13 component of the project.

14 (c) The executive director shall not approve any  
15 training proposal which facilitates the change in  
16 ownership of a business leading to the likelihood that an  
17 existing collective bargaining agreement would be  
18 declared void.

19 (d) To encourage a broad and equitable distribution of  
20 funds, the executive director may require an employer  
21 who has previously received funds pursuant to this article  
22 for retraining of workers at a facility to contribute  
23 proportionately more to the cost of training in subsequent  
24 contracts for training of workers at the same facility.

25 (e) Payments shall be made in accordance with a  
26 performance contract under which partial payments may  
27 be made during training, a partial payment may be made  
28 on placement or retention of each trainee, and not less  
29 than 25 percent of the negotiated fee is withheld until the  
30 trainee has been retained in employment for 90 days after  
31 the end of training with a single employer, except for  
32 those occupations in which it is not customary for a  
33 worker to be employed 90 consecutive days with a single  
34 employer. In these latter cases, the executive director  
35 may substitute a period similar to the probationary period  
36 customary to the occupation. The probationary period  
37 shall not be less than 500 work hours and shall be  
38 completed within 272 days of the completion of the  
39 training. In no case shall any payment be considered to  
40 have been earned until the trainee has been retained in

1 employment for 90 days or the equivalent probationary  
2 period for an occupation in which it is not customary for  
3 a worker to be employed 90 consecutive days with a single  
4 employer.

5 (f) Contracts for new hire training shall require the  
6 contractor to provide the placement services necessary to  
7 ensure the trainees are placed in jobs for which they have  
8 been trained.

9 5041. Contracts shall be made with training agencies  
10 only if the training agency can demonstrate all of the  
11 following:

12 (a) The training agency has a satisfactory record of  
13 past performance in the placement and retention of  
14 former trainees and employer satisfaction with former  
15 trainees.

16 (b) The training agency can demonstrate labor  
17 market demand for the proposed training. Proof shall  
18 include, but not be limited to, the documented need of  
19 specific employers for the workers proposed to be trained  
20 in the skills proposed by the training agency.

21 (c) The training agency can demonstrate that the  
22 training prepares trainees in a manner satisfactory to  
23 employers.

24 (d) The training agency can demonstrate that its  
25 accounting systems include controls adequate to check  
26 the accuracy and reliability of accounting data, promote  
27 operating efficiency, and ensure compliance with  
28 government requirements and generally accepted  
29 accounting principles. The executive director shall have  
30 full access at any time to these accounting systems to  
31 ensure compliance with these standards.

32 5042. A trainee or employee participating in a  
33 training program pursuant to this article shall be  
34 considered to be in a training program having the  
35 approval of the Director of Employment Development  
36 under Article 1.5 (commencing with Section 1266) of  
37 Chapter 5 of Part 1 of Division 1.

38 5043. (a) The executive director shall prepare a  
39 budget covering necessary administrative costs of the  
40 ~~program~~ panel.

~~(b) The Secretary of the Trade and Commerce Agency~~

*(b) The Director of Employment Development shall furnish at the request of the executive director equipment, supplies, and housing unless specified otherwise in this code, and nonpersonal and housekeeping services required by the ~~program~~ panel and shall perform any other mechanics of administration as the executive director and the ~~secretary~~ director may agree upon.*

~~5044. The Employment Development Department shall~~

*5044. The department shall additionally cooperate with the executive director by offering necessary technical assistance, which may include, but is not limited to, labor market information, projections of occupational demand, and information and advice on alternative training strategies.*

*5045. (a) The Trade and Commerce Agency shall determine those firms considering locating or expanding businesses in the state in order to enable the executive director to expedite the processing of contracts for these firms pursuant to subdivision (j) of Section 5036. The Trade and Commerce Agency shall also provide technical assistance by marketing the Employment Training Fund to newly locating or expanding businesses in the state and by assisting in the packaging of employer contracts for training of eligible participants from the Employment Training Fund.*

*(b) The Small Business Development Center program in the Office of Small Business in the Trade and Commerce Agency shall provide information and applications for funding by the program to its clients.*

*5046. To assist the executive director and the Legislature in assessing the impact of this article over an extended period of time, the ~~Employment Development Department~~ department shall develop and maintain a continuous employment, wage, and benefit history of participants in projects authorized pursuant to this article and of a random sample of unemployment insurance*

1 claimants. The design of this history shall be subject to the  
2 review and approval of the executive director and the  
3 review and recommendations of the Legislative Analyst.

4 5047. (a) The executive director may allocate up to  
5 ~~20~~ 10 percent of the annually available training funds for  
6 the purpose of funding special employment training  
7 projects for the purposes of any of the following:

8 (1) Supporting retraining for frontline workers, as  
9 defined in subdivision (a) of Section 5030, in occupations  
10 that pay 100 percent of the state or regional average  
11 hourly wage when a business is difficult to serve under the  
12 program's standard project format; provided that the  
13 employment may not result in earnings of less than 95  
14 percent of the state average hourly wage.

15 (2) Encouraging the development of new industries,  
16 including the electric and clean fuel vehicle industry and  
17 other advanced transportation technology industries,  
18 that contribute to high-skilled employment and  
19 economic vitality in California.

20 (3) Supporting efforts that address the training and  
21 employment of workers affected by defense industry  
22 cutbacks and military base closures.

23 (4) Stabilizing employment in fields where there is a  
24 demonstrated deficit of trained employees and clear  
25 career advancement opportunities.

26 Notwithstanding any other provision of this article,  
27 participants in these projects need not meet the same  
28 eligibility criteria as outlined in paragraph (1) of  
29 subdivision (b) of Section 5030 and subdivision (c) of  
30 ~~Section 5031. In addition, the executive director may~~  
31 ~~allocate funds under this section for the development of~~  
32 ~~training materials and training programs that contribute~~  
33 ~~to the development of new industries in the state. Section~~  
34 ~~5031.~~

35 (b) The executive director may allocate up to 15  
36 percent of the funds specified in subdivision (a) for  
37 job-related vocational and literacy skills training and the  
38 employment of individuals with barriers to full-time,  
39 stable employment. These barriers may include, but shall  
40 not be limited to, language, basic skills, and occupational

1 literacy barriers to employment. These individuals shall  
2 meet the eligibility criteria specified in subdivision (c) of  
3 Section 5031. Preference shall be given to contractors that  
4 can provide trainees with the comprehensive services  
5 necessary to successfully complete training, overcome  
6 barriers, secure gainful employment, and become  
7 self-sufficient. The executive director may waive, if  
8 necessary, the eligibility criteria outlined in paragraph  
9 (1) of subdivision (b) of Section 5030, the minimum wage  
10 requirements pursuant to subdivision (g) of Section 5031,  
11 and the employment retention provisions specified in  
12 subdivision (f) of Section 5040 and instead require that  
13 the trainee has been retained in employment for a  
14 minimum of 90 days out of 120 consecutive days after the  
15 end of training with no more than three employers. In  
16 addition, the executive director may allocate funds under  
17 this subdivision for reasonable child care and  
18 transportation costs for trainees.

19 (c) The executive director shall adopt minimum  
20 standards for consideration of proposals to be funded  
21 pursuant to this section.

22 (d) It is the intent of the Legislature in providing the  
23 authority for these projects that the executive director  
24 allocate these funds in a manner consistent with the  
25 objectives of this article as provided in Section 5030.

26 5048. The executive director shall allocate funds  
27 available in the annual Budget Act for training programs  
28 designed for individuals who are currently working and  
29 receiving benefits under Chapter 2 (commencing with  
30 Section 11200) of Part 3 of Division 9 of the Welfare and  
31 Institutions Code or who are currently working and have  
32 received CalWORKs benefits within one year of the  
33 commencement of the training program.

34 (a) It is the intent of the Legislature in providing  
35 authority for these training programs that the executive  
36 director allocate these funds in a manner consistent with  
37 the objectives of this article as provided in Section 5030.

38 (b) Notwithstanding any other provisions of this  
39 article, the eligibility criteria for individuals trained  
40 under this section shall be employment with an eligible

1 employer as defined in subdivision (b) of Section 5031  
2 and one of the following:

3 (1) Receipt of CalWORKs benefits at the time training  
4 begins.

5 (2) Receipt of CalWORKs benefits within one year of  
6 the time training commenced.

7 (c) For purposes of this section, the executive director  
8 may waive, if necessary, any of the following:

9 (1) The employer eligibility criteria outlined in  
10 paragraph (1) of subdivision (a) of Section 5030.

11 (2) The minimum training wage requirements  
12 pursuant to subdivision (h) of Section 5031.

13 (3) The employment retention provisions specified in  
14 subdivision (f) of Section 5040 and instead require that  
15 the trainee has been retained in employment for a  
16 minimum of 90 days out of 120 consecutive days after the  
17 end of training with no more than three employers.

18 (d) Notwithstanding any other provisions of this  
19 article, the executive director shall consider proposals  
20 that use innovative strategies and training options to  
21 enable current and prior CalWORKs recipients and  
22 eligibles to retain employment, including, but not limited  
23 to, projects that provide basic skills training.

24 (e) The executive director shall adopt administrative  
25 procedures for approving and administering contracts  
26 under this section to expedite contracts, minimize  
27 barriers to completion of training, and facilitate the  
28 training of single trainees and small groups of trainees  
29 from one worksite.

30 5049. The funding of individual project grants may  
31 take the form of either direct grants to the employer or  
32 training agency, or credits to the employer's liability for  
33 unemployment insurance contributions or  
34 reimbursements. Credits to the employer's liability for  
35 unemployment insurance contributions or  
36 reimbursements shall be drawn from the Employment  
37 Training Fund.

38 5050. Funds in the Employment Training Fund  
39 created by Section 1610 shall be appropriated annually in  
40 the Budget Act by the Legislature for allocation by the

executive director for the purposes of this article, except that those funds determined by the Legislature to be necessary to administer Section 976.6 and Article 6 (commencing with Section 1610) of Chapter 6 of Part 1 of Division 1 shall be appropriated to the Employment Development Department.

5051. (a) This article shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 2002, deletes or extends that date.

(b) The executive director may enter into contracts that permit employment training through June 30, 2002. However, no contract shall have a termination date that extends beyond December 31, 2002.

(c) In the event a later enacted statute does not extend the January 1, 2002, repeal date of this article, the executive director shall enter into an agreement with another state agency, to be selected by the Governor, that shall act on behalf of the executive director for the sole purpose of contract administration, which shall include, but is not limited to, monitoring performance, generating amendments to downsize the contracts, closing out contracts, auditing contracts, and making payment for any contracts that extend beyond January 1, 2002.

(d) Any agency acting on behalf of the executive director pursuant to this section may seek a budget appropriation or augmentation for both the administration of the ~~program~~ *panel* and payment to contractors.

#### Article 4. Statewide Strategic Training Investments

5060. The State Workforce Investment Board shall be responsible for statewide strategic training investments utilizing not more than 15 percent of the federal Workforce Investment Act of 1998 adult and youth training funds available to the state for those purposes. The strategic statewide investments may include:

(a) Disseminating a state list of eligible providers of training services.



1 (b) Conducting in coordination with local boards,  
2 ongoing evaluation studies of work force investment  
3 activities authorized under Title I of the federal  
4 Workforce Investment Act of 1998.

5 (c) Providing incentive grants to local areas for  
6 regional cooperation among local boards, for local  
7 coordination of activities under the federal Workforce  
8 Investment Act of 1998 and for exemplary performance  
9 by local areas on the local performance measures.

10 (d) Providing technical assistance to local areas that  
11 fail to meet local performance measures.

12 (e) Assisting in the establishment and operation of  
13 one-stop delivery systems established pursuant to Section  
14 5330.

15 (f) Operating a fiscal management accountability  
16 information system.

17 (g) Providing transition funding to work force  
18 investment areas that form as a result of merging more  
19 than one service delivery area that existed under the Job  
20 Training Partnership Act.

21 5061. Statewide reserve funds may also be used as  
22 permitted by federal law to perform other activities, such  
23 as providing capacity building and technical assistance to  
24 local areas, conducting research and demonstration  
25 projects, and implementing innovative incumbent  
26 worker training programs.

27 5062. The State Workforce Investment Board shall  
28 reserve up to 25 percent of the federal Workforce  
29 Investment Act of 1998 dislocated worker funds available  
30 to the state for rapid response activities, which shall  
31 include: the provision of rapid response activities carried  
32 out in local areas by the state or by an entity designated  
33 by the state working in conjunction with the local boards  
34 and the chief elected officials in the local areas, and  
35 provision of additional assistance to local areas that  
36 experience disasters, mass layoffs, or plant closings, or  
37 other events that may result in an increase of the number  
38 of unemployed individuals.

39 5063. (a) To the extent permitted by federal law, the  
40 Employment Development Department shall do all of



1 the following to implement the federal welfare-to-work  
2 grant program:

3 (1) Certify that each local welfare-to-work plan has  
4 been approved, as evidenced by signatures of the  
5 chairperson of the local work force investment board or  
6 the alternate local administrative entity designated by  
7 the Governor to administer the local welfare-to-work  
8 program, and the chief local elected official of the  
9 affected jurisdiction, and by approval by the county  
10 board of supervisors at a public meeting.

11 (2) Certify that the plan demonstrates evidence of  
12 collaboration between local work force and development  
13 partners and local economic development organizations.

14 (3) Allow local work force investment boards or the  
15 alternate administrative entities designated by the  
16 Governor, within a single county, to combine their  
17 welfare-to-work grant program plans into a single,  
18 countywide welfare-to-work grant program plan that is  
19 signed by all affected local work force investment boards  
20 or alternate local administrative entities and the chief  
21 local elected officials in the affected jurisdictions, and that  
22 includes an approval by the county board of supervisors  
23 at a public meeting. The combined welfare-to-work plan  
24 shall describe the overall approach to be taken in the  
25 county, the coordination efforts that have been made in  
26 developing the plan, any uniform agreements reached  
27 with the county welfare department, regarding referral  
28 and case management, and any common definitions that  
29 will be used by all local work force investment boards or  
30 alternate local administrative entities. All other  
31 requirements contained in the local welfare-to-work  
32 grant plan instructions shall be clearly delineated for each  
33 local work force investment board or alternate local  
34 administrative entity, including identification of the  
35 responsible entity's target population to be served, the  
36 activities that will be offered, performance goals, and  
37 expenditure and participant planning information.

38 (4) Certify that the local work force investment board  
39 or the alternate local administrative entity designated by  
40 the Governor, and the county welfare department,

1 through a local joint planning process, have developed  
2 protocols for the identification and referral of clients and  
3 the provision of welfare-to-work services, as a condition  
4 for the receipt of those federal funds.

5 (5) Develop procedures to recapture unused funds  
6 and redistribute them to local work force investment  
7 boards or alternate local administrative entities  
8 designated by the Governor that demonstrate a  
9 continued need for additional funds.

10 (6) Certify that the plan documents collaboration with  
11 the local lead agency responsible for coordination with  
12 the welfare-to-work job creation task force established  
13 pursuant to paragraph (1) of subdivision (g) of Section  
14 15365.55 of the Government Code.

15 (b) (1) Subject to paragraph (4), the Employment  
16 Development Department shall distribute 85 percent of  
17 the federal welfare-to-work grant funds to private  
18 industry councils or alternate local administrative entities  
19 designated by the Governor, according to the variables  
20 defined in the federal welfare-to-work program, and  
21 consistent with the following formula:

22 (A) A weight of 55 percent shall be given based on the  
23 relative number, as determined pursuant to federal law,  
24 by which the population in the area below the poverty  
25 line exceeds 7.5 percent of the total population.

26 (B) A weight of 30 percent shall be based upon the  
27 relative number of adults residing in the plan's service  
28 area who are receiving assistance under a state program  
29 funded in part through the federal Temporary Assistance  
30 for Needy Families grant program or the federal Aid to  
31 Families with Dependent Children program for at least  
32 30 months.

33 (C) A weight of 15 percent shall be based upon the  
34 relative number, as determined pursuant to federal law,  
35 of unemployed individuals residing in the plan's service  
36 area.

37 (2) Changes in the allocation formula established  
38 pursuant to paragraph (1) that may be needed for  
39 subsequent fiscal years may be implemented by the  
40 Employment Development Department only after

1 public hearings have been conducted regarding the  
2 proposed changes. Any change in that allocation formula  
3 may be implemented not sooner than 30 days after  
4 notification in writing to the chairperson of the  
5 committee in each house of the Legislature that considers  
6 appropriations, the chairpersons of the appropriate  
7 committees and subcommittees in each house of the  
8 Legislature that considers the state Budget Act, and the  
9 Chairperson of the Joint Legislative Budget Committee,  
10 or not sooner than whatever lesser time the Chairperson  
11 of the Joint Legislative Budget Committee or his or her  
12 designee, may in each instance determine.

13 (3) Subject to paragraph (4), the Employment  
14 Development Department, at the direction of the  
15 Governor, shall distribute the remaining 15 percent of  
16 federal welfare-to-work grant funds, less the amount  
17 necessary to administer the program, to state and local  
18 projects that will assist in moving eligible participants into  
19 unsubsidized employment. The Governor shall take into  
20 special consideration the needs of rural areas in  
21 distributing funds under this subdivision. Funds allocated  
22 pursuant to this subdivision shall be distributed to  
23 employers, private nonprofit organizations, and for-profit  
24 and public entities. Payments of these funds shall be  
25 contingent upon performance outcomes. Proposals  
26 submitted for state and local projects shall include, at a  
27 minimum, comments by the local work force investment  
28 board or alternate local administrative entity, and the  
29 county welfare department, to ensure that grants that are  
30 approved will be consistent with local plans for moving  
31 eligible participants into unsubsidized employment.

32 (4) Not more than 15 percent of federal  
33 welfare-to-work funds may be retained by the  
34 department for the cost of state administration of the  
35 welfare-to-work program.

36 (c) The unit of general local government, or each unit  
37 of general local government that is a member of a  
38 consortium designated by the Governor as a service  
39 delivery area, that is represented by the chief local  
40 elected official described in subsection (c) of Section 103



1 of the federal Job Training Partnership Act (29 U.S.C. Sec.  
2 1513(c)), shall be liable to the department for all federal  
3 welfare-to-work funds distributed pursuant to subdivision  
4 (a) of Section 10003 that are not expended in accordance  
5 with this chapter and federal welfare-to-work grant  
6 program provisions.

7  
8 CHAPTER 3. PERFORMANCE-BASED ACCOUNTABILITY  
9

10 5100. (a) The California Workforce Investment  
11 Board shall be responsible for developing an education  
12 and job training report card program to assess the  
13 accomplishments of California's work force preparation  
14 system and for meeting the accountability requirements  
15 of the federal Workforce Investment Act of 1998.

16 (1) A subcommittee of the state board shall be  
17 established for this purpose.

18 (2) The subcommittee shall be comprised of three  
19 private sector members of the state board, the director of  
20 the department, the Superintendent of Public  
21 Instruction, the Chancellor of the California Community  
22 Colleges, or their designees, and representatives of  
23 programs that are to be measured under the report card  
24 program.

25 (3) The subcommittee shall be responsible for  
26 designing and implementing, or contracting with an  
27 operating entity for the design and implementation of, a  
28 system that can compile, maintain, and disseminate  
29 information on the performance of providers, programs,  
30 and the overall work force preparation system.

31 (b) By January 1, 2001, the subcommittee or an  
32 operating entity under contract to the subcommittee  
33 shall operate a comprehensive performance-based  
34 accountability system that matches the social security  
35 numbers of former participants in state education and  
36 training programs with information in files of state and  
37 federal agencies that maintain employment and  
38 educational records and identifies the occupations of  
39 those former participants whose social security numbers  
40 are found in employment records.

1 (c) This system shall measure the performance of state  
 2 and federally funded education and training programs for  
 3 the purpose of system, program, and instructional  
 4 improvement. Programs to be measured shall include  
 5 programs in receipt of funds from the federal Workforce  
 6 Investment Act of 1998, the Job Training Partnership Act,  
 7 the Carl D. Perkins Vocational and Applied Technology  
 8 Education Act, the Job Opportunities and Basic Skills  
 9 program, the CalWORKs program, the Food Stamp  
 10 Employment and Training program, the Wagner-Peyser  
 11 Act, the Employment Training Program, adult education  
 12 programs, basic vocational rehabilitation services as  
 13 defined by Part B of Title I of the federal Vocational  
 14 Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 701  
 15 et seq.), vocational education programs, and certificated  
 16 community college programs.

17 (d) Job training and education providers receiving  
 18 funding identified in subdivision (c) shall, to the extent  
 19 permitted by federal law, request social security numbers  
 20 from each participant 18 years of age and over and not  
 21 currently enrolled in high school and participating in a  
 22 work force preparation program and shall report to the  
 23 subcommittee or an operating entity under contract to  
 24 the subcommittee, as the case may be, on participant  
 25 social security numbers and economic and demographic  
 26 characteristics, including, but not limited to, age, gender,  
 27 race or ethnicity, and education achievement. The state  
 28 board shall establish the acceptable format and  
 29 timeframes for data submission.

30 (e) The system shall be designed to measure factors  
 31 such as:

- 32 (1) Amount and source of funding.
- 33 (2) Program entrance and successful completion  
34 rates.
- 35 (3) Employment and wage information for six months,  
36 one year, and three years after completion of training.
- 37 (4) The relationship of training to employment.
- 38 (5) Academic achievement for one and three years  
39 after completion of training.

1 (6) Achievement of industry skill standard  
2 certifications, where they exist.

3 (7) Return on public investment.

4 (8) Other indicators of performance required by the  
5 federal Workforce Investment Act of 1998.

6 (f) Based upon the information compiled pursuant to  
7 this section, the subcommittee or an operating entity  
8 under contract to the subcommittee, as the case may be,  
9 shall, on December 31 of each year, do all of the following:

10 (1) Prepare and disseminate report cards for all  
11 training and education providers in receipt of funds  
12 included in the tracking system.

13 (2) Prepare and disseminate local and statewide  
14 report cards that measure the outcomes of the individual  
15 programs that operate as part of the work force  
16 development system.

17 (3) Prepare and disseminate a state report card that  
18 measures the performance of the entire system of work  
19 force preparation and the effectiveness of the system in  
20 meeting employers' needs for educated and trained  
21 workers and the clients' needs for improving their  
22 economic well-being.

23 (g) The state board shall develop objective  
24 performance standards emphasizing the principles of  
25 continuous improvement for the programs covered  
26 under this section, and a system of sanctions and  
27 incentives to encourage performance that meet these  
28 standards.

29 (h) The state board shall explore the feasibility of  
30 including the following persons in this system:

31 (1) Attendees at private postsecondary institutions.

32 (2) Recipients of federal student loans.

33 (3) Recipients of Pell grants.

34 (4) Pupils in grades 11 and 12.

35 (5) Students enrolled in any community college,  
36 California State University, or University of California  
37 program.

38 (i) The sole purpose of this section is to assess the  
39 performance of state and federal employment and  
40 training providers and programs in preparing

1 Californians for the work force. Collection and use of  
 2 social security numbers pursuant to this section shall be  
 3 consistent with the requirements of Section 7 of the  
 4 federal Privacy Act of 1974 (P.L. 93-579) and Section  
 5 405(c)(2)(C) of Title 42 of the United States Code.  
 6 Notwithstanding Chapter 3.5 (commencing with Section  
 7 6250) of Division 7 of Title 1 of the Government Code, or  
 8 any other provision of law, the social security number of  
 9 any person obtained pursuant to this section is not a  
 10 public record, and shall not be disclosed except for the  
 11 purpose of this section. Information obtained pursuant to  
 12 this section shall not be sold or distributed to any entity  
 13 without prior consent from the individual, or his or her  
 14 parent or guardian, with respect to whom the  
 15 information is gathered. This subdivision does not  
 16 prohibit the exchange of information with other  
 17 governmental departments and agencies, both federal  
 18 and state, that are concerned with the administration of  
 19 work force development programs. Neither the  
 20 subcommittee nor an operating entity under contract to  
 21 the subcommittee, as the case may be, may make public  
 22 any information that could identify an individual or his or  
 23 her employer.

24 (j) An education and training program that requires  
 25 information gathered by the education and job training  
 26 report card program shall use the report card program  
 27 and shall not initiate automated matching of records in  
 28 duplication of methods already in place as a result of the  
 29 report card program.

30 (k) The performance-based accountability system  
 31 shall be funded in the annual Budget Act.

32 (l) Any provider of adult work force preparation  
 33 services shall provide performance and cost information  
 34 for all individuals participating in all applicable programs  
 35 in a manner compatible with this section in order to  
 36 retain eligibility, after an initial period of eligibility, to  
 37 receive funds under Title I of the Workforce Investment  
 38 Act of 1998.

39 (m) The state board shall apply for any federal waivers  
 40 that may be necessary to implement this section.



## 1 CHAPTER 4. REGIONAL PLANNING AND SERVICE DELIVERY

2  
3 Article 1. Regional Planning and Service Delivery

4  
5 5150. The Governor shall promote the planning and  
6 delivery of work force preparation services in a manner  
7 that is compatible with the economic development  
8 regions identified by the Economic Strategy Panel.

9 5151. (a) In order to promote collaboration of local  
10 and regional partnerships that support initiative in  
11 education reform, work force preparation and economic  
12 development, the Secretary of the Health and Human  
13 Services Agency, the Secretary of the Trade and  
14 Commerce Agency, the Chancellor of the California  
15 Community Colleges, and the Superintendent of Public  
16 Instruction shall, in consultation with the state board,  
17 local stakeholders, and customers, do both of the  
18 following:

19 (1) Select, through a competitive process, a minimum  
20 of five regional education, work force preparation, and  
21 economic development collaboratives, known as work  
22 force collaboratives, that will receive financial and  
23 program incentives to develop local partnerships to  
24 maximize the delivery of employment, training, and  
25 education services. These partnerships shall collaborate  
26 in the development of shared systems to improve their  
27 efficiency and effectiveness in delivering work force  
28 development services.

29 (2) Identify new and redirected resources, federal and  
30 state waivers, and legislative changes necessary to  
31 enhance the effectiveness of work force collaboratives.

32 (b) Work force collaboratives shall have  
33 representation from the following public and private  
34 entities:

35 (1) The Employment Development Department.

36 (2) The local Workforce Investment Act  
37 administrative entity.

38 (3) Community college districts.



1 (4) Local school districts, including those that provide  
2 adult education and regional occupational centers or  
3 programs.

4 (5) Regional occupational centers serving adults.

5 (6) Entities administering local public assistance  
6 welfare-to-work programs.

7 (7) Local economic development organizations.

8 (c) In addition, the competitive selection process shall  
9 emphasize the expectation that work force collaboratives  
10 will have broad representation of all public, private, and  
11 nonprofit agencies that have an interest in education,  
12 economic development, welfare-to-work and work force  
13 development.

14 5152. From existing state and federal funds available  
15 for expenditure for the purposes of this section, the state  
16 partners shall identify five million dollars (\$5,000,000) per  
17 year for each of three years for distribution to a minimum  
18 of five work force collaboratives, in order to create  
19 systemic change that results in increased collaboration  
20 and service delivery within each region.

21 5153. Work force collaboratives shall do the following:

22 (a) Define regions consistent with labor market and  
23 economic areas giving consideration to education,  
24 employment, and training service areas.

25 (b) Promote effective service delivery through  
26 integration of existing partnerships in economic  
27 development, employment, and training services,  
28 welfare reform, and school reform into one collaborative  
29 partnership.

30 (c) Set measurable local program goals that meet the  
31 needs of various client groups as determined by both  
32 historical service levels and present needs, and that  
33 demonstrate the extent to which outcomes will improve  
34 through collaboration.

35 (d) Provide for an evaluation of the pilot program.

36 5154. (a) State partners shall jointly manage the  
37 work force collaborative project with designated staff and  
38 shall use existing resources available for this purpose.

39 (b) State partners shall identify in a memorandum of  
40 understanding existing funds that are available to support

1 the funding of regional work force collaboratives. The  
2 Secretary of the Health and Welfare Agency shall identify  
3 existing funds from sources including, but not limited to,  
4 the federal Workforce Investment Act of 1998, the  
5 One-Stop Career Center grant, the School to Career  
6 grant, and the federal Wagner-Peyser Act. The  
7 Chancellor of the California Community Colleges, with  
8 the consent of the Board of Governors, shall identify  
9 funds from various sources, including, but not limited to,  
10 the federal Carl D. Perkins Vocational and Applied  
11 Technology Education Act and state economic  
12 development funds.

13 The Superintendent of Public Instruction, with the  
14 consent of the State Board of Education, shall identify  
15 funds from various sources, including, but not limited to,  
16 the federal Carl D. Perkins Vocational and Applied  
17 Technology Education Act and the federal Improving  
18 America's Schools Act of 1994.

19 (c) The state partners shall pursue waivers from the  
20 appropriate federal agencies to promote local flexibility  
21 and remove obstacles to integrated service delivery for  
22 selected regional collaboratives.

23 5155. The state partners shall prepare an annual  
24 progress report on March 15 of each year and a final  
25 report by July 1, 2001, to be submitted to the state board  
26 and the Legislature, which shall consist of an analysis of  
27 the project, recommendations for expansion of regional  
28 collaboratives, and recommendations for legislative  
29 changes to promote the development of regional  
30 collaboratives.

31

## 32 CHAPTER 5. LOCAL SERVICE DELIVERY

33

### 34 Article 1. Local Workforce Investment Board

35

36 5200. The local elected officials in a work force  
37 development area may form, pursuant to guidelines  
38 established by the California Workforce Investment  
39 Board, a local work force investment board to plan and



1 oversee the delivery of all work force preparation  
2 programs in the local area.

3 5201. Local work force investment boards shall be  
4 established in each local work force investment area of  
5 the state for the purpose of planning, oversight, and  
6 evaluation of all work force development services in the  
7 work force investment area. The local board shall ensure  
8 effective outcomes consistent with statewide goals,  
9 objectives, and negotiated local performance standards.

10 5202. Membership of each local work force  
11 investment board shall include:

12 (a) Representatives of business in the local area  
13 appointed from among individuals nominated by local  
14 business organizations and trade associations and that  
15 reflect employment opportunities of the local area.  
16 Business representatives shall be owners of businesses,  
17 chief executives, or operating officers of businesses or  
18 other business executives or employers with optimum  
19 policymaking or hiring authority.

20 (b) Representatives of local educational entities,  
21 including representatives of local educational agencies,  
22 local school boards, entities providing adult education  
23 and literacy activities, and postsecondary educational  
24 institutions, selected from among individuals nominated  
25 by regional or local education agencies, institutions, or  
26 organizations representing local educational entities.

27 (c) A minimum of two representatives of labor  
28 organizations nominated by local labor federations.

29 (d) Representatives of local community-based  
30 organizations including organizations representing  
31 individuals with disabilities and veterans.

32 (e) Representatives of economic development  
33 agencies, including private sector economic  
34 development entities.

35 (f) Representatives of each of the one-stop partners.

36 5203. Membership of local boards may include other  
37 individuals or representatives of entities as the chief  
38 elected official in the local area may determine to be  
39 appropriate. A single member of the local board may be

1 appointed to represent multiple constituencies on the  
2 local board.

3 5204. A majority of the members of the local board  
4 shall be representatives of business in the local area.

5 5205. The local board shall elect a chairperson for the  
6 local board from among the business representatives.

7 5206. It shall be the duty of the local board to do all of  
8 the following:

9 (a) Coordinate work force investment activities in the  
10 local area with economic development strategies.

11 (b) Promote participation of private sector employers  
12 in the local work force investment system.

13 (c) Develop and submit a local work force investment  
14 plan to the Governor.

15 (d) Select one-stop operators and review annually the  
16 one-stop budgets including each partner's contribution.

17 (e) Identify eligible providers of youth activities in the  
18 local area by awarding grants or contracts on a  
19 competitive basis, based upon the recommendations of  
20 the youth council.

21 (f) Identify eligible providers of training services.

22 (g) Identify eligible providers of intensive services  
23 and awarding contracts to those providers.

24 (h) Develop a budget for the purpose of carrying out  
25 duties of the local board.

26 (i) Conduct program oversight over work force  
27 development funds in the local area.

28 (j) Enter into a written agreement with the chief local  
29 elected official which describes the roles and  
30 responsibilities of each party.

31 (k) Negotiate with the chief elected official in the local  
32 area and the Governor local performance measures for  
33 the local area.

34 (l) Assist in the development of a statewide  
35 employment statistics system.

36 5207. The local board, in order to carry out its  
37 functions:

38 (a) Shall prepare and approve a budget for itself.

39 (b) May hire staff, incorporate and solicit and accept  
40 contributions and grant funds from other sources.

1 (c) Shall not provide training services unless the  
2 Governor grants a written waiver of this provision.

3 (d) Shall not provide other work force investment  
4 services or be designated as a one-stop operator without  
5 the agreement of the chief local elected official and the  
6 Governor.

7 5208. A youth council shall be established as a  
8 subgroup within each local board, appointed by the local  
9 board in cooperation with the chief local elected official.  
10 Youth council membership shall be comprised of  
11 members of the local board with expertise in youth policy,  
12 representatives of youth service agencies, including  
13 juvenile justice and local law enforcement agencies,  
14 representatives of local public housing authorities,  
15 parents of eligible youth seeking assistance under Title I  
16 of the federal Workforce Investment Act of 1998,  
17 individuals, including former participants, and  
18 representatives of organizations that have experience  
19 relating to youth activities and representatives of the Job  
20 Corps.

21 5209. The youth council shall develop the portions of  
22 the local plan relating to youth and may recommend  
23 eligible providers of youth activities and conduct  
24 oversight with respect to the eligible providers of local  
25 youth activities.

26  
27 Article 2. Local Workforce Investment Plan  
28

29 5220. Each local board shall develop and submit to the  
30 Governor a comprehensive five-year local plan in  
31 partnership with the appropriate chief elected official.  
32 The plan shall be consistent with the state plan.

33 5221. The local plan shall include all of the following:

34 (a) A local labor market assessment which contains an  
35 identification of the work force investment needs,  
36 including vocational education, job training, and job  
37 placement needs, of businesses, job seekers, and workers  
38 in the local area, the current and projected employment  
39 opportunities in the local area, and the job skills necessary  
40 to obtain that employment.

1 (b) A description of the local one-stop delivery system  
2 including all of the following:

3 (1) A description of how the local board will ensure  
4 system integration that will improve services to local  
5 employers and job seekers, and a description of how local  
6 partners are leveraging resources, reducing duplication,  
7 and providing continuous improvement and quality  
8 control.

9 (2) A copy of each memorandum of understanding  
10 between the local board and each of the one-stop partners  
11 concerning the operation of the one-stop delivery system  
12 in the local area.

13 (c) A description of the local levels of performance  
14 negotiated with the Governor and chief elected official to  
15 be used to measure the performance of the local area and  
16 the performance of the local fiscal agent, eligible  
17 providers, and the one-stop delivery system in the local  
18 area.

19 (d) A description and assessment of the type and  
20 availability of adult and dislocated worker employment  
21 and training activities in the local area.

22 (e) A description of how the local board will  
23 coordinate work force investment activities carried out in  
24 the local area with statewide rapid response activities, as  
25 appropriate.

26 (f) A description and assessment of the type and  
27 availability of youth activities in the local area, including  
28 an identification of successful providers of those activities.

29 (g) A description of the process used by the local  
30 board, consistent with subdivision (c), to provide an  
31 opportunity for public comment, including comment by  
32 representatives of businesses and comment by  
33 representatives of labor organizations, and input into the  
34 development of the local plan, prior to submission of the  
35 plan.

36 (h) An identification of the entity responsible for the  
37 disbursement of funds under the federal Workforce  
38 Investment Act of 1998.

39 (i) A description of the competitive process to be used  
40 to award the grants and contracts in the local area for

1 activities carried out under the federal Workforce  
2 Investment Act of 1998.

3 5222. The local board may submit a local unified plan  
4 for the following individual plans, activities, and  
5 programs:

6 (a) An instructional and job training plan required by  
7 Section 10200 of the Education Code.

8 (b) A plan for community college curriculum  
9 development or redesign required pursuant to Section  
10 79202 of the Education Code.

11 (c) A job creation plan required by Section 15365.55 of  
12 the Government Code.

13 (d) A county plan for CalWORKs required by Section  
14 10531 of the Welfare and Institutions Code.

15 (e) A local welfare-to-work plan required by Sections  
16 5063, 5064, and 5065.

17 5223. The local board shall make available copies of a  
18 proposed local plan, allow members of the local board and  
19 members of the public to submit comments on the  
20 proposed local plan to the local board not later than the  
21 end of the 30-day period beginning on the date on which  
22 the proposed local plan is made available and submit the  
23 plan to the Governor along with any comments that were  
24 in disagreement with the plan.

25  
26 Article 3. One-Stop Career Center System  
27

28 5230. (a) It is the intent of the Legislature that  
29 California deliver comprehensive work force preparation  
30 services to job seekers and employers through a system of  
31 one-stop career centers.

32 (b) Each local work force investment board shall  
33 establish at least one full service one-stop career center  
34 in the work force investment area. Each one-stop career  
35 center shall have all entities specified in Section 5232 as  
36 partners and shall provide job seekers with employment,  
37 education, training, and integrated job search services,  
38 and employers with access to comprehensive career and  
39 labor market information, common automated intake  
40 and eligibility determinations, job placement, economic



1 development assistance, and performance-based  
2 accountability information on service providers.

3 (c) In order to ensure that all required partners  
4 specified in Section 5232 are fully participating and  
5 contributing members of the one-stop career center  
6 system, each state partner shall describe its contribution  
7 to the one-stop career center system in the annual state  
8 budget process.

9 5231. The local board, with the agreement of the chief  
10 elected official for the local area, shall develop and enter  
11 into a memorandum of understanding with the local  
12 one-stop partners, designate or certify one-stop  
13 operators, and conduct oversight over the local one-stop  
14 delivery system.

15 5232. The local providers of the following programs or  
16 activities shall be required partners in the local one-stop  
17 system:

18 (a) Programs authorized under Title I the federal  
19 Workforce Investment Act of 1998.

20 (b) Programs authorized under the Wagner-Peyser  
21 Act (29 U.S.C. 49 et seq.).

22 (c) Adult education and literacy activities authorized  
23 under Title II of the federal Workforce Investment Act of  
24 1998.

25 (d) Programs authorized under Title I of the  
26 Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.).

27 (e) Programs authorized under Section 403(a)(5) of  
28 the Social Security Act (42 U.S.C. Sec. 603(a)(5)) (as  
29 added by Section 5001 of the Balanced Budget Act of  
30 1997).

31 (f) Activities authorized under Title V of the Older  
32 Americans Act of 1965 (42 U.S.C. Sec. 3056 et seq.).

33 (g) Postsecondary vocational education activities  
34 authorized under the Carl D. Perkins Vocational and  
35 Applied Technology Education Act (20 U.S.C. Sec. 2301  
36 et seq.).

37 (h) Activities authorized under Chapter 2 of Title II of  
38 the Trade Act of 1974 (19 U.S.C. Sec. 2271 et seq.).



(i) Activities authorized under Chapter 41 (commencing with Section 4100) of Title 38 of the United States Code.

(j) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. Sec. 9901 et seq.).

(k) Employment and training activities carried out by the Department of Housing and Urban Development.

(l) Programs authorized under state unemployment compensation laws, in accordance with applicable federal law.

(m) Activities authorized under the CalWORKs program.

5233. To the full extent permitted by federal law, the Employment Development Department shall utilize its Wagner-Peyser funded activities and programs to support local one-stop career centers.

SEC. 3. Division 3 (commencing with Section 9000) of the Unemployment Insurance Code is repealed.

SEC. 4. Division 4 (commencing with Section 12000) of the Unemployment Insurance Code is repealed.

SEC. 5. Division 8 (commencing with Section 15000) of the Unemployment Insurance Code is repealed.

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.